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## 2007 Annual Report Review

 Permittee:
 Canyon Fuel Company, LLC

 Mine Name:
 SUFCO Mine

 Permit Number:
 C/041/002

 Date Report Received:
 6/19/2008 in Salt Lake City

 Assigned Reviewer:
 Peter Hess, EnSci III, I & E Title V
 PHH My A
 7/15/2008

Instructions: The assigned inspector will review the Annual report during the third quarter complete inspection and provide a written determination (finding) on how the mine has or has not met the permit requirements for reporting. If the report is deficient or remedial action is required to obtain compliance, this should be noted and the mine lead notified. A copy of this review will be filed with the Inspection Report. Should any of the sections require additional technical analysis, the inspector will notify the permit supervisor so that it can be scheduled during the 4<sup>th</sup> quarter.

SECTIONS TO REVIEW	SUBMITTED YES NO NA			FINDINGS
Cover Sheet	X			Cover letter signed by John D. Byers, P.E., for Ken May, General Manager. Appears adequate.
General Information	X			The submitted general information identifying the Permittee appears complete and adequate.
Identification of other Permits	X			Information submitted for UPDES permit #UT0022918 identifies permitted outfalls for the Mine site sediment pond (002A) and the NF of Quitchupah mine water discharge (003A). Remaining permits identified.
Annual Impoundment Certification		X		The Permittee P.E. certifies all quarterly impoundment inspections and forwards them to the DOGM / SLO (i.e., on file). The reports are inspected quarterly, during complete inspections by DOGM personnel.
Annual Overburden, Spoil, Refuse, Floor, etc. Certified Report		X		All quarterly refuse pile inspections are performed and certified by Mr. John Byers, P.E., prior to submittal to the Division. All are on file at DOGM, (see Appendix "A").
Annual Technical Requirements (Commitments)	X			The 2007 reporting year required a raptor survey, vegetation surveys for the Pines tract and the Link Canyon portal area, subsidence monitoring, precipitation data, and the measurement of cracks in the West Fork of Box Canyon. All reports are contained in the 2007 Annual Report. The raptor survey and the two submitted vegetation studies should be reviewed as Special Projects prior to the ending of 4 <sup>th</sup> Quarter 2008.
Climatological	X			Contained in Appendix "B". Snow and rainfall data provided for SUFCO Mine and Levan Rail Loadout. This is an annual commitment.

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Subsidence	X			See Appendix "B"; Of the 13 areas monitored, eleven are considered dormant. Areas 12 and 13 saw secondary extraction using longwall during 2007. These areas are still and will continued to be monitored for the next several years. The P.E. and R.L.S. certified mine subsidence map shows a maximum settling of four feet in the center of the first panel extracted in Area 13. Crack monitoring in the West Fork of Box Canyon was not completed until May of 2008, due to the early onset of winter weather conditions. Four cracks are monitored, with two or three monitoring stations along each crack length. The ten crack monitoring locations (last monitoring conducted in May 2008) reported cracks widths of approximately 0ne-half inch to nineteen inches (BCE Crack 01 Station #2). The vertical displacement measured for the ten sites (May 2008) varied from 0.03 feet (0.36 inches) to 2.9 inches. Four of the ten sites monitored in May 08 had zero displacement.			
Vegetation monitoring	X			The 2007 Link Canyon Portal vegetation survey and the Pines Tract 2007 Vegetation study have been submitted; same should be reviewed as a Special Project during the fourth quarter of 2008.			
Raptor Survey	X			See 2007 Confidential binder in Salt Lake DOGM public information center. This should be reviewed as a Special Project during the 4 <sup>th</sup> quarter of 2008.			
Soils Monitoring	X			See waste rock analysis in Appendix "B" / 2007 annual Report. This should be reviewed as a Special Project during the 4 <sup>th</sup> Quarter of 2008.			
Water Monitoring	X			Quarterly electronic submittals of surface and ground water monitoring information are current. 2007 Annual Report contains required monitoring report of Box Canyon Creek for 2007 by Petersen Hydrologic, LLC.			
Geological/Geophysical		X		No reporting requirement.			
Engineering		X		No reporting requirement.			
Non-Coal Waste		X		The Mine does not have a permanent non-coal waste disposal area; all waste is shipped to the Sevier County landfill.			
Abandoned Underground Equipment		X		No mining equipment was abandoned underground during 2007.			
AVS; Legal/ Financial Update		X		This information is contained in the stand-alone document General Chapter One which is submitted to the Utah Dept of Commerce. Same is currently being reviewed by the DOGM as Task ID # 2988.			
Mine Sequence Map	X			See LMU Mining Progress Map 2007-2008 which is certified by John D. Byers, P.E. and Mark Bunnell, professional geologist.			
Other Information	X			Cultural Resource Information for 2007 has been submitted in the same stand alone report cover with 2007 Raptor Survey information, on file in the Salt Lake DOGM public information center. This should be reviewed as a Special Project during the 4 <sup>th</sup> quarter of 2008.			

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